

October 15, 2019

The Honorable Bernard C. "Jack" Young
Mayor, Baltimore City
100 N. Holliday Street
Baltimore, MD 21202

Dear Mayor Young:

Please accept this letter as notice of my intent to retire from the City of Baltimore as of February 1, 2020.

It has been both an honor and a privilege to serve under your leadership both as Mayor of the City of Baltimore and during your tenure as President of the Baltimore City Council. I very much appreciate your counsel during my nearly nine years of service to the City. Your support has truly been invaluable.

Your advice and encouragement has provided me with the opportunity to work with my team and many stakeholders across the City to re-position the Department of Public Works, successfully mapping a strategy and launching many initiatives to make the Department not only a national leader, but also a "best in class" organization.

During my tenure, the Department achieved compliance across a range of the Clean Water Act and Safe Drinking Water Act regulatory requirements. The Department's performance under both the U.S. Environmental Protection Agency and Maryland State Government has met or exceeded regulatory mandates. Specific examples include: having met the requirements of our Wet Weather Consent Decree; the Administrative Order to convert our open finished water reservoirs; and Phase I MS4 Permit. We have also successfully rolled-out programs that address aging facilities and pipelines with a steady and sustainable investment in capital infrastructure. Over 90 miles of water mains have been rehabilitated/replaced in the past six years as we continue to work on the current 15 miles for this fiscal year.

With an eye towards sound stewardship of rate and taxpayer funds, we developed among the strongest, well-balanced and innovative financial management and capital financing plans. This approach, as a consequence, ensures a less costly *and more sustainable* investment in the public infrastructure that will serve future generations. We successfully competed for over \$200 million in WIFIA loans (saving our ratepayers \$40 million in interest payments). Again this year, we successfully competed with peer agencies across the nation and was awarded by EPA with an invitation to apply for another nearly \$400 million in WIFIA loans (for even larger savings for our ratepayers). These are two (2) of the most recent examples of my commitment to reduce the burden on our ratepayers by leading with pace-setting performance and a spirit of innovation. The diversity of our financial portfolio including PAYGO (cash), SRF (State Revolving Funds), WIFIA and bonds go a long way in securing the financial stability of the water utility.

Although I know that absent these pioneering strategies, the series of painful rate hikes we have undergone would have been much higher, I understand that this measure of success has resulted in hardship for too many of our residents. Though difficult, I believe our strategic investments over my tenure are bearing fruit as our financial advisors now forecast that we are nearing the end of these

The Honorable Bernard C. "Jack" Young
October 15, 2019
Page 2

aggressive rate hikes that have been necessary to correct decades of disinvestment and deferred maintenance.

While at the Department, I have worked hard to build a strong team of professionals who support these important goals now and well into the future. Among my proudest achievements are the programs we have launched, which are leading the way for our sister agencies in the City, including the YH2O Program. This Program invites young adults into the utility industry. After about nine (9) months of exposure to every part of our utility operations along with intensive mentorship, YH2O offers permanent job placement. Another innovation, the Small Business Development Program (SBD), will graduate its 4th class of small business owners this fall. Each of these business owners will, as a result, have additional tools, skills and contacts to better equip them to compete for business with the City. The SBD supports *local economic development and job creation*, expands the pool of local businesses available to bid on City contracts and expands competition. Additionally, it is another opportunity to hold down costs for our ratepayers.

Lastly, I want to mention one of our community's most significant problems and one of your highest priorities – making Baltimore a cleaner place to live, work and play. In many respects, this mission comprises one of our most complicated challenges. We have worked especially hard to strengthen our Solid Waste Bureau. The rollout of the Rat Rubout Program has had measureable success in improving rodent control. The massive initiative to rollout the new municipal trash cans has been a major success, along with the introduction of the solar-powered trash compactors. Just as important is the expansion of the street sweeping program and the re-engineering of the Bureau's management and operating structure. The new quadrant system facilitates more effective communication down to the neighborhood level while enhancing our ability to be more responsive and accountable to our stakeholders. The Department's effort to develop a 30-year Solid Waste Master Plan, however, may ultimately be the most far reaching initiative in the area of waste management. The Plan, projected to be completed by the end of the year, will create a balanced and objective baseline from which our community and its many stakeholders will have an opportunity to chart a thoughtful, inclusive and holistic path toward a goal we all share -- a more sustainable future.

Thank you for this extraordinary opportunity to serve the people of this great City and for the opportunity and support to pursue many innovative and challenging initiatives. Please know I will leave city service proud of the Department of Public Works and all we have been able to accomplish.

Sincerely,



Rudolph S. Chow, P.E.
Director
Department of Public Works